Government of Saskatchewan

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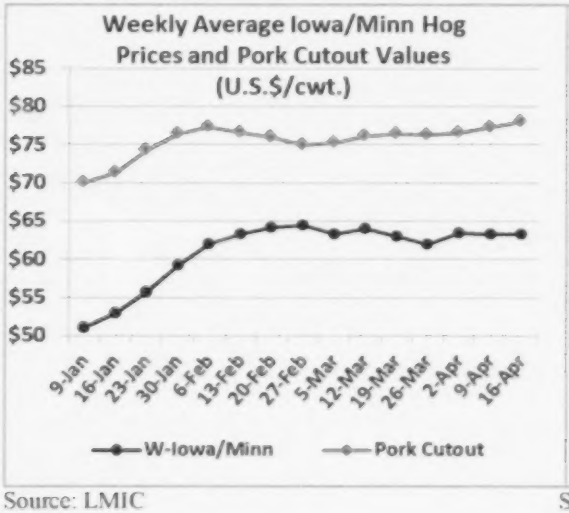
Weekly Hog Report

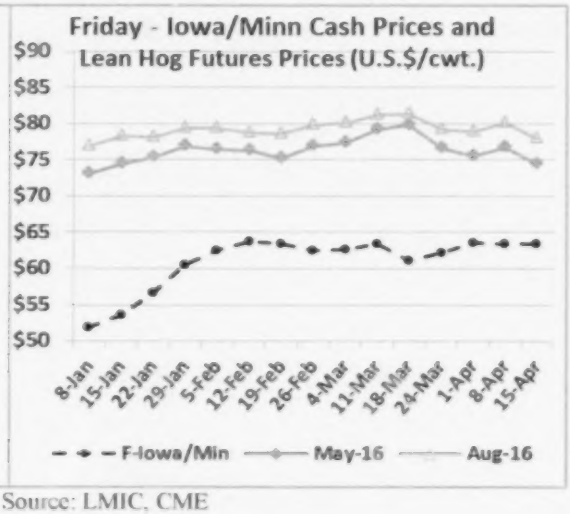
April 18, 2016

Cash Slaughter Weight Hog Prices

United States daily average cash hog prices (Iowa/Minn) were relatively steady last week edging slightly higher, week-over-week. Hog prices on Friday April 15 averaged US$63.49 per cwt, up slightly from US$63.33 per cwt the previous Friday. The negotiated base price last week averaged US$63.29 per cwt, up slightly from US$63.20 per cwt the previous week.



Source: LMIC



Source: LMIC, CME

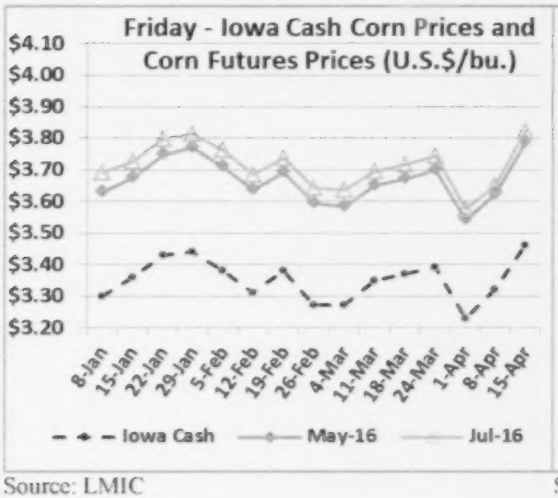
In Canada, the Signature#3 (Maple Leaf) Index 100 daily price for Friday April 15, 2016 was $148.28 per ckg, down $2.98 per ckg or 2.0 per cent from $151.26 per ckg the previous Friday. Signature#3 weekly prices (Friday to Thursday) averaged $148.15 per ckg, down $3.22 per ckg or 2.1 per cent from the previous weeks' average price of $151.37 per ckg. The Canadian dollar was higher last week closing Friday at 77.90 cents, up 0.99 cents from 76.91 cents the previous Friday.

Futures Markets

United States lean hog futures daily prices were mixed but primarily lower last week pushing contract prices lower, week-over-week. The May-to-August 2016 lean hog futures contracts declined between US$2.225 per cwt and US$3.250 per cwt. The nearby May contract declined US$2.325 per cwt to settle Friday at US$74.400 per cwt, while the June 2016 contract declined US$3.250 per cwt to settle Friday at US$77.625 per cwt.

Cash Feeder Hog Prices

North American (Iowa) iso-wean (10-12lb) cash hog prices and feeder (40lb) cash hog prices were mixed last week. Weighted average cash prices for iso-weans (12lb) last week were US$40.74 per head, up US$0.69 per head from US$40.05 per head the previous week. Feeders (40lb) averaged US$76.45 per head, down $3.50 per head from US$79.95 per head, the previous week.



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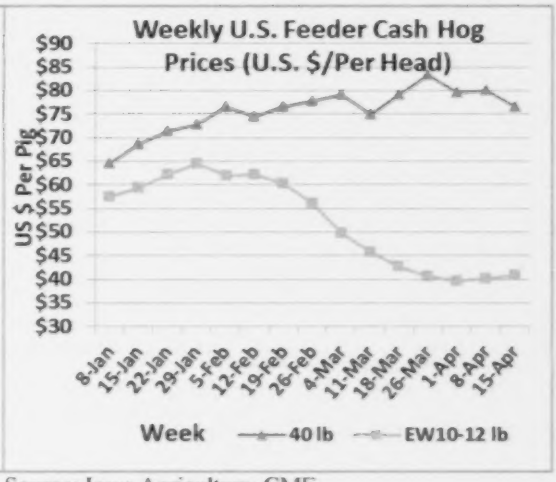


Source: Iowa Agriculture, CME

U.S corn prices continued higher from the previous week. Iowa cash corn prices increased fourteen cents to settle Friday at US$3.46 per bushel. U.S. daily corn futures prices were primarily higher over the week with big gains Wednesday to end the week higher, week-over-week. The May 2016 corn contract increased over sixteen cents per bushel to settle Friday at US$3.78½ per bushel, while the July 2016 contract increased seventeen cents to settle Friday at US$3.82 per bushel.

Hogs Slaughtered

U.S. hogs slaughtered under federal inspection for the week ending April 16 were estimated 2.197 million head, up 2.0 per cent from 2.154 million head the previous week, but down 1.9 per cent from 2.240 million head the same week a year ago. U.S. hogs slaughtered over the last four weeks ending April 16 averaged 2.175 million head per week, down 2.0 per cent from 2.221 million head over the same period a year ago.

In Canada, federal and provincial hog slaughter numbers for the week ending April 9, 2016 were estimated at 420,453 head, up 5.0 per cent from 393,122 head the previous week, but down 21.4 per cent from 346,181 head the same week a year ago. Canadian hog slaughter numbers over the last four weeks averaged 403,570 head, up 4.2 per cent from 387,129 head over the same period in 2015. Year-to-date, hogs slaughtered in Canada in 2016 have totaled 5,868,722 head, up 4.1 per cent from 5,636,691 head over the same period in 2015.

Meat Production

U.S. pork production for the week ending April 16, 2016 was estimated at 468.2 million lb., up 2.2 per cent from 458.3 million lb. the previous week, but down 2.3 per cent from 479.0 million lb. the same week a year ago. Pork production over the last four week's ending April 16 was estimated to average 463.7 million lb., down 2.4 per cent from 475.2 million lb. over the same four week period a year ago.

U.S. beef production for the week ending April 16 was estimated at 454.7 million lb., down 2.3 per cent from 444.6 million lb. the previous week, but up 4.0 per cent from 437.2 million lb. the same week a year ago.

Combined production of U.S. beef, pork, chicken and turkey over the four weeks ending April 9, 2016, was estimated to average almost 2.003 billion lb., up 1.4 per cent from 1.974 billion lb. over the same four weeks a year ago. Year-to-date, total U.S. meat production for 2016 is estimated to be up almost 2.1 per cent compared to the same period in 2015.

United States Weekly Meat Production

(April 9) Four Week Average - Million Lb.			Percent Change	
	2015	2016	4 Week	YTD 2016
Pork	475.0	463.0	-2.5%	-0.3%
Beef	424.2	448.8	5.8%	3.6%
Chicken	947.0	966.0	2.0%	3.1%
Turkey	128.1	124.9	-2.5%	-1.2%
Total	**1,974.4**	**2,002.7**	**1.43%**	**2.08%**

Source: LMIC

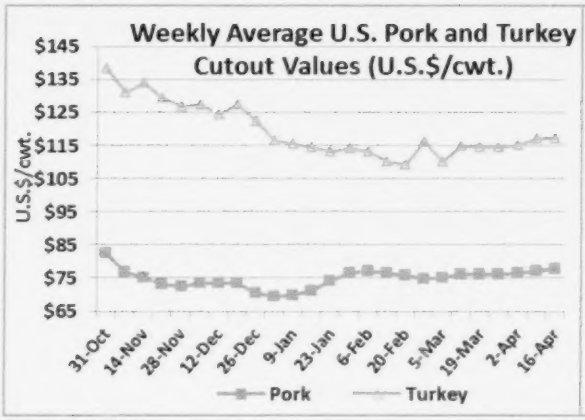
Cutout Values

U.S. pork cutout values for the week ending April 16, 2016 averaged US$77.94 per cwt, up US$0.71 per cwt or 0.9 per cent from US$77.23 per cwt the previous week, and up 16.7 per cent from US$66.77 per cwt from the same week a year ago.

Choice beef cutout prices (600-900 lb.) for the week ending April 16, 2016 averaged US$221.51 per cwt over the week, up US$5.30 per cwt or 2.4 per cent from US$216.21 per cwt the previous week, but down 14.5 per cent from US$259.02 per cwt the same week a year ago.

Average chicken cutout values (breast) for the week ending April 16, 2016 averaged US$115.34 per cwt, down 0.5 per cent from US$115.96 per cwt the previous week, and down 24.2 per cent from US$152.24 per cwt the same week a year ago.

Pork, chicken and turkey cutout values have moved higher over the last month while beef cutout values have been more volatile and are currently below the March highs.



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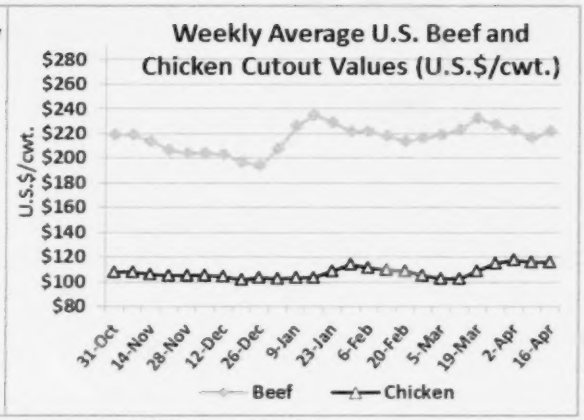

Source: LMIC

USDA World Agricultural Supply and Demand Estimates (WASDE)

On April 12, the USDA released the April World Agricultural Supply and Demand Estimates (WASDE). The April USDA WASDE report revised the 2016 United States Red Meat and Poultry production estimates to 97.667 billion lb., a slight increase from the March estimates, but a 3.2 per cent increase from 2015 production. Beef production estimates for 2016 were increased to 24.825 billion lb. in April, up 1.2 per cent from the March 2016 estimates.

United States meat production for 2016 is projected to increase 3.2 per cent from 94.619 billion lb. in 2015, to 97.667 billion lb. in 2016. Leading the way in meat production increases in 2016 (by percent) are projected to come from turkey (+6.8%) and beef (+4.8%), followed by broilers (+2.6%) and pork (+2.1%). (Source: USDA WASDE)

USDA April World Agricultural Supply and Demand Estimates

		Million Pounds				Total Red Meat
	Quarter	Beef	Pork	Broiler	Turkey	& Poultry
2013	**Annual**	**25,720**	**23,187**	**37,830**	**5,806**	**93,333**
2014	**Annual**	**24,252**	**22,843**	**38,550**	**5,756**	**92,171**
2015	**Annual**	**23,690**	**24,449**	**40,048**	**5,627**	**94,619**
% Chg.	**2014-2015**	**-2.32%**	**7.03%**	**3.89%**	**-2.24%**	**2.66%**
2016	March Proj.	24,540	25,025	41,100	6,010	97,448
2016	**April Proj.**	**24,825**	**24,970**	**41,100**	**6,010**	**97,677**
% Chg.	Mar.- Apr.16	1.16%	-0.22%	0.00%	0.00%	**0.23%**
% Chg.	**2015-2016**	**4.79%**	**2.13%**	**2.63%**	**6.81%**	**3.23%**

Source: USDA April WASDE Report, April 12, 2016

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